



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2022-1528, **Version:** 1

A resolution approving an amendment to a purchase and sale agreement between the Metropolitan Government and Piedmont Natural Gas Company, Inc., for a parcel of property and improvements located at 800 Second Avenue North.

WHEREAS, BL2021-743 approved an agreement (the "Agreement") for the Metropolitan Government to sell to Piedmont Natural Gas Company, Inc. ("Piedmont") a parcel of property and improvements (collectively, the "Property") located at 800 Second Avenue North, currently used for Metropolitan Government offices; and,

WHEREAS, the Metropolitan Government and Piedmont now propose to amend the Agreement pursuant to the terms of the amendment (the "Amendment") attached as Exhibit 1 to this Resolution; and,

WHEREAS, the Amendment will allow the Metropolitan Government to extend the time for closing the sale of the Property, which will facilitate the efficient relocation of the offices currently using the Property; and,

WHEREAS, approval of the Amendment is in the best interest of the Metropolitan Government.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Amendment is approved.

Section 2. This Resolution shall take effect from and after its passage, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This resolution approves an amendment to Ordinance No. BL2021-743, which authorized the sale of a 4.49-acre parcel located at 800 Second Avenue North to Piedmont Natural Gas Company ("Piedmont") for \$4,239,000. This property is currently used for Metropolitan Government offices. During the Metro's environmental consultant estimates that it would cost approximately \$24,000,000 to remediate the property as a result of the prior gas plant operations in order to develop the property.

This amendment allows the Metropolitan Government to extend the time for closing the sale of this property. Under the original agreement, the closing was required to take place by December 31, 2022. The amendment allows for extension periods beyond December 31, 2022, in 180-day increments ("Extension Period") by written notice from Metro to Piedmont but requires the closing to occur no later than December 31, 2025. For each Extension Period exercised, the purchase price of the agreement will be reduced by \$250,000, beginning with the second exercised Extension Period. After the fifth Extension Period, the purchase price will be reduced by \$500,000 for each Extension Period.

Fiscal Note: There are potentially six Extension Periods that Metro could exercise under this agreement. The purchase price of this property if all six extension periods are exercised would be \$2,489,000.